ARIZONA CORPORATION COMMISSION <u>UTILITIES DIVISION</u>

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-01917A DRAGOON WATER CO. 7459 E ALMERIA SCOTTSDALE AZ 85257-0000

Mark Right His

2 COHP COMIN Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12 31 2006

FOR COMMISSION USE

ANN04

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COMPANY INFORMATION

Company Name (Business Na	· —		
Mailing Address <u>7459 E. AI</u>	MERIA		
(Street)			
SCOTTSDALE, AZ 852 (City)	(State)	(7	Cip)
(City)	(Saite)	(2	np)
(480) 945-4800	(480) 941-5190	(4	80) 945-4800
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
mail Address			
Local Office Mailing Address	SAME AS ABOVE (Street)		
(City)	(State)	(Zi	p)
ocal Office Telephone No. (Include Area Co	de) Fax No. (Include Area Code)	Pager/Cell 1	No. (Include Area Code
mail Address			
		ION	
	MANAGEMENT INFORMAT	<u>ION</u>	
<u>I</u>			ΝΤ
<u>I</u>	MANAGEMENT INFORMAT	PRESIDEI	NT Title)
Ianagement Contact: JAM 7459 E. ALMERIA	MANAGEMENT INFORMAT (ES P. SULLIVAN (Name) SCOTTSDALE AZ	PRESIDEI (T	itle)
Ianagement Contact: JAM 7459 E. ALMERIA	MANAGEMENT INFORMAT (ES P. SULLIVAN (Name) SCOTTSDALE AZ	PRESIDEI (T	itle) 257
Ianagement Contact: JAM 7459 E. ALMERIA Street) (480) 945-4800	MANAGEMENT INFORMAT (ES P. SULLIVAN (Name) SCOTTSDALE AZ (City) (SI	PRESIDEI (T 85 tate) (Z	itle) 257
Aanagement Contact: JAM 7459 E. ALMERIA Street)	MANAGEMENT INFORMAT (ES P. SULLIVAN (Name) SCOTTSDALE (City) (Signature)	PRESIDE: (T 85 tate) (Z	itle) 257
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Ianagement Contact:JAM 7459 E. ALMERIA Street) (480) 945-4800 Telephone No. (Include Area Code) mail Address	MANAGEMENT INFORMAT (ES P. SULLIVAN (Name) SCOTTSDALE (City) (Structure (Structure of the structure of the	PRESIDET (T 85 tate) (Z Pager/Cell No. (I	itle) 257 ip) include Area Code)
Anagement Contact:JAM 7459 E. ALMERIA Atreet) (480) 945-4800 Telephone No. (Include Area Code) mail Address On Site Manager:SOU 1121 WEST GRANT, #413 (Street) (502) 623-5172	MANAGEMENT INFORMAT (ES P. SULLIVAN (Name) SCOTTSDALE (City) (Stock of the second of	PRESIDE: (T 85 tate) (Z Pager/Cell No. (I	257 (Zip) Include Area Code) 85705 (Zip)
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Management Contact:JAM 7459 E. ALMERIA Street) (480) 945-4800 Telephone No. (Include Area Code) Email Address On Site Manager:SOI 1121 WEST GRANT, #413 (Street) (502) 623-5172 Telephone No. (Include Area Code)	MANAGEMENT INFORMAT (ES P. SULLIVAN (Name) SCOTTSDALE (City) (Stock of the second of	PRESIDE: (T 85 tate) (Z Pager/Cell No. (I	257 (Zip) Include Area Code) 85705 (Zip)

Statutory Agent: RICHARD L. SALL		
	(Name)	
2525 E. ARIZONA BILTMORE CIRCLE # 117 PH (Street)	OENIX AZ 85016 (City)	(State) (Zip)
(602) 224-9222		
Telephone No. (Include Area Code)	Fax No. (Include Area Code	Pager/Cell No. (Include Area Code)
Attorney: SAME AS ABOVE		
	(Name)	
(Street)	(City)	(State) (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Please mark this box if the above address	ss(es) have changed or are updat	ted since the last filing.
OWNE	RSHIP INFORMATION	
Check the following box that applies to your o	company:	
Sole Proprietor (S)	C Corporation (C) (Oth	her than Association/Co-op)
Partnership (P)	☐ Subchapter S Corporat	tion (Z)
☐ Bankruptcy (B)	Association/Co-op (A)	
Receivership (R)	Limited Liability Comp	pany
Other (Describe)		
CC	DUNTIES SERVED	
Check the box below for the county/ies in whi	ch you are certificated to provide	service:
□ АРАСНЕ	⊠ COCHISE	☐ COCONINO
☐ GILA	☐ GRAHAM	☐ GREENLEE
☐ LA PAZ	☐ MARICOPA	☐ MOHAVE
☐ NAVAJO	☐ PIMA	☐ PINAL
☐ SANTA CRUZ	☐ YAVAPAI	☐ YUMA
☐ STATEWIDE		

COMPANY NAME DRAGOON WATER CO., INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	6,983		6,983
302	Franchises			
303	Land and Land Rights	5,195		5,195
304	Structures and Improvements	29,114	16,515	12,599
307	Wells and Springs	48,540	17,246	31,294
311	Pumping Equipment	162,987	162,987	0
320	Water Treatment Equipment			, , , , , , , , , , , , , , , , , , , ,
330	Distribution Reservoirs and Standpipes	96,107	47,340	48,767
331	Transmission and Distribution Mains	207,435	72,693	134,742
333	Services	16,621	6,123	10,498
334	Meters and Meter Installations	27,272	16,352	10,920
335	Hydrants	633	101	532
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	3,107	938
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	280	28	252
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	,		
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	8,058	7,517
	TOTALS	620,787	350,550	270,237

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME DRAGOON WATER CO., INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
110.	DESCRIPTION		Tercentage (2)	Lapense (122)
301	Organization	6,983		
302	Franchises			
303	Land and Land Rights	5,195		
304	Structures and Improvements	29,114	3.33%	969
307	Wells and Springs	48,540	3.33%	1,616
311	Pumping Equipment	162,987	12.50%	
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	96,107	2.22%	2,134
331	Transmission and Distribution Mains	207,435	2.00%	4,149
333	Services	16,621	3.33%	553
334	Meters and Meter Installations	27,272	8.33%	2,272
335	Hydrants	633	3.33%	21
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	6.67%	270
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	280	5.00%	14
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	2.50%	389
	SUBTOTAL	620,787		29,549
	Less: Amortization of Contributions			7,078
	TOTAL	620,787		22,471

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



To the Board of Directors of Dragoon Water Co., Inc. Scottsdale, Arizona

We have compiled the balance sheet of Dragoon Water Co., Inc. (a corporation) as of December 31, 2006 and 2005, and the comparative statement of income and expense for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

ULLMANN & COMPANY, P.C. Certified Public Accountants

Wilmann J Company

February 24, 2007

COMPANY NAME DRAGOON WATER CO., INC.

BALANCE SHEET

Acct. No.			ANCE AT	Į.	LANCE AT END OF
	ASSETS	YEAR			YEAR
	CURRENT AND ACCRUED ASSETS				
131	Cash	\$	57,909	\$	50,355
134	Working Funds				
135	Temporary Cash Investments				
141	Customer Accounts Receivable		12,986		9,690
146	Notes/Receivables from Associated Companies				*
151	Plant Material and Supplies				
162	Prepayments				
174	Miscellaneous Current and Accrued Assets		8,981		12,349
	TOTAL CURRENT AND ACCRUED ASSETS				· · · · · · · · · · · · · · · · · · ·
		\$	79,876	\$	72,394
	FIXED ASSETS				
101	Utility Plant in Service	\$	588,763	\$	620,787
103	Property Held for Future Use				
105	Construction Work in Progress				
108	Accumulated Depreciation - Utility Plant		321,001		350,550
121	Non-Utility Property				
122	Accumulated Depreciation - Non Utility				
	TOTAL FIXED ASSETS	\$	267,762	\$	270,237
	TOTAL ASSETS	\$	347,638	\$	342,631

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	BALANCE AT BEGINNING		BALANCE AT END OF		
	LIABILITIES	OF YEAR		YEAR	
4	CURRENT LIABILITES				
231	Accounts Payable	\$	2,892	\$	2,961
232	Notes Payable (Current Portion)		12,260	· · ·	12,680
234	Notes/Accounts Payable to Associated Companies				
235	Customer Deposits		2,400		2,880
236	Accrued Taxes		3,752		3,931
237	Accrued Interest				
241	Miscellaneous Current and Accrued Liabilities		54		46
	TOTAL CURRENT LIABILITIES	\$	21,358	\$	22,498
	LONG-TERM DEBT (Over 12 Months)				
224	Long-Term Notes and Bonds	\$	161,506	\$	152,205
		!			
	DEFERRED CREDITS				
251	Unamortized Premium on Debt				
252	Advances in Aid of Construction		63,735		64,083
255	Accumulated Deferred Investment Tax Credits				
271	Contributions in Aid of Construction		125,935		125,935
272	Less: Amortization of Contributions		50,375		57,453
281	Accumulated Deferred Income Tax			4	
	TOTAL DEFERRED CREDITS	- \$	139,295	\$	132,565
	TOTAL LIABILITIES	\$	322,159	\$	307,268
	CAPITAL ACCOUNTS		<u></u> .	· · · · · · · · · · · · · · · · · · ·	
201	Common Stock Issued	\$	13,000	\$	13,000
211	Paid in Capital in Excess of Par Value		168,642		168,642
215	Retained Earnings		(156,163)		(146,279)
218	Proprietary Capital (Sole Props and Partnerships)				
	TOTAL CAPITAL	\$	25,479	\$	35,363
	TOTAL LIABILITIES AND CAPITAL	\$	347,638	\$	342,631

DRAGOON WATER CO., INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIC	OR YEAR	CURRE	NT YEAR
461	Metered Water Revenue	\$	95,868	\$	107,244
460	Unmetered Water Revenue				
474	Other Water Revenues		4,162		1,226
	TOTAL REVENUES	\$	100,030	\$	108,470
	OPERATING EXPENSES				
601	Salaries and Wages				
610	Purchased Water				
615	Purchased Power		8,226		9,177
618	Chemicals				
620	Repairs and Maintenance		4,651		1,979
621	Office Supplies and Expense		902		1,077
630	Outside Services		33,898		47,020
635	Water Testing	 	1,142		1,013
641	Rents		620		306
650	Transportation Expenses				
657	Insurance - General Liability		1,396		1,239
659	Insurance - Health and Life	1			
666	Regulatory Commission Expense - Rate Case		900	MATTER TO THE TOTAL OF THE TOTA	0
675	Miscellaneous Expense	1	5,005	· · · · · · · · · · · · · · · · · · ·	5,145
403	Depreciation Expense		23,574		22,471
408	Taxes Other Than Income			<u> </u>	
408.11	Property Taxes		5,280		5,487
409	Income Tax		637		750
	TOTAL OPERATING EXPENSES	\$	86,231	\$	95,664
	OTHER INCOME/EXPENSE				
419	Interest and Dividend Income	†			
421	Non-Utility Income	<u> </u>			
426	Miscellaneous Non-Utility Expenses				
427	Interest Expense	+	3,021		2,922
	TOTAL OTHER INCOME/EXP	\$	(3,021)	\$	(2,922)
	NET INCOME/(LOSS)	\$	10,778	\$	9,884

COMPANY NAME DRAGOON WATER CO., INC.

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VARIES			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$196,383	\$	\$	\$
Amount Outstanding	\$164,885	\$	\$	\$
Date of Maturity	04/01/2018			
Interest Rate	4.688%			
Current Year Interest	\$2,865	\$	\$	\$
Current Year Principle	\$8,881	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 7,380
Meter Deposits Refunded During the Test Year	\$ 995

COMPANY NAME	DRAGOON WATER CO., IN	VC.	
Name of System DR	AGOON WATER CO., INC.	ADEQ Public Water System Number	02-015

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-631739	15	55		12	3	
55-631738	30	200		12	4	

^{*} Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PU	MPS	FIRE I	HYDRANTS
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2		
15	2		
10	2		
1.5	2		

STORAGE TANKS		PRESSUR	E TANKS
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	2
20,000	1	2,000	1
5,000	1	100	1

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAM	E DRAGOON WATER CO., INC	C.	
Name of System	DRAGOON WATER CO., INC.	ADEQ Public Water System Number	02-015

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS			
Size (in inches)	Material	Length (in feet)	
2	PVC	300	
3	AC	2,830	
4	AC	4,030	
5			
6	AC	600	
8			
10			
12			
3	PVC	16,418	
4	PVC	9,637	
6	PVC	7,460	
6	PVC	1,400	

For the following three items, list the utility owned assets in each category.

CUSTOMER METERS		
Size (in inches)	Quantity	
5/8 X ¾	120	
3/4		
1	20	
1 1/2		
2	2	
Comp. 3		
Turbo 3		
Comp. 4		
Tubo 4		
Comp. 6		
Tubo 6		

TREATMENT EQUIPMENT:	
	and the company of th
	 , , , , , , , , , , , , , , , , , , ,
STRUCTURES: 10' X 10' Pump House 10' X 12' Pump House	
1200 ft of 6' Chain Link Fence	
5' x 5' Booster House	
2 Storage Shops	
OTHER:	

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAM	ME DRAGOON WATER CO., IN	C.	
Name of System	DRAGOON WATER CO., INC.	ADEQ Public Water System Number	02-015

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED	GALLONS PURCHASED
		(Thousands)	(Thousands)	(Thousands)
JANUARY	137	800	873	0
FEBRUARY	137	786	857	0
MARCH	137	641	734	0
APRIL	138	911	1008	0
MAY	138	1399	1500	0
JUNE	142	1436	1513	0
JULY	142	1184	1299	0
AUGUST	142	1042	1130	0
SEPTEMBER	142	969	969	0
OCTOBER	142	789	854	0
NOVEMBER	142	727	795	0
DECEMBER	142	655	788	0
	TOTALS →	11339	12320	0

What is the level of arsenic for each well on your system. (If more than one well, please list each separately.)		<u><0.003</u> <0.003	mg/l
If system has fire h	ydrants, what is the fire flow requireme	nt? <u>N/A</u>	GPM forhrs
If system has chlor	ination treatment, does this treatment s	ystem chlo	rinate continuously?
() Yes	(X) No		
Is the Water Utility	y located in an ADWR Active Managem	ent Area (A	AMA)?
() Yes	(X) No		
Does the Company	have an ADWR Gallons Per Capita Per	r Day (GPC	CPD) requirement?
() Yes	(X) No		· -
If yes, provide the	GPCPD amount:		

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME_	DRAGOON WATER CO., INC.	YEAR ENDING 12/31/2006	
	PROPERTY TAXES		
Amount of actual prope	rty taxes paid during Calendar Year 2006 was: \$	5,383	
Attach to this annual reproperty tax payments)	port proof (e.g. property tax bills stamped "paid in of any and all property taxes paid during the cale	n full" or copies of cancelled checks for ndar year.	
If no property taxes paid	d, explain why		

VERIFICATION AND **SWORN STATEMENT** Taxes

MMOD BELLE are to utilities

VERIFICATION

STATE OF ARIZONA I, THE UNDERSIGNED OF THE

COUNTY OF (COUNTY NAME)	
COCHISE	
NAME (OWNER OR OFFICIAL) TITLE	
JAMES P. SULLIVAN	
COMPANY NAME	
DRAGOON WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE. INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

PAVIS W. NELSON MOTARY PUBLIC - APHODION MARICOPA COUNTY My Commission Expires

(SEAL) Aug 8, 2008

COUNTY NAME

20

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME DRAGOON WATER CO., INC. **YEAR ENDING 12/31/2006 INCOME TAXES** For this reporting period, provide the following: Federal Taxable Income Reported 10.090 Estimated or Actual Federal Tax Liability State Taxable Income Reported 10,840 Estimated or Actual State Tax Liability 750 Amount of Grossed-Up Contributions/Advances: Amount of Contributions/Advances Amount of Gross-Up Tax Collected N/A Total Grossed-Up Contributions/Advances N/A Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer. CERTIFICATION The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

COMP COMM

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAM)	
COCHISE		
NAME (OWNER OR OFFICIA) TITLE	
JAMES P. SULI	IVAN	
COMPANY NAME		······································
DRAGOON WA	TER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR
12 31 2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:</u>

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 115,150

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6,680 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF TRAVIS W. NELSON

THIS

MY COMMISSION EXPIRES

TRAVIS W. NELSON
NOTARY PUBLIC - ARIZONAY OF
MARRICOPA COUNTY
My Commission Expires
Aug. 5, 2008

5 8/1

SIGNATURE OF OWNER OR OFFICIAL

(450) 945-4800

TELEPHONE NUMBER

MONTH .20_

SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND ORN STATEMEN

PECHVED

SWORN STATEMENT RESIDENTIAL REVENUE

VERIFICATION

INTRASTATE REVENUES ONLY

COHP COMM

STATE OF ARIZONA	COUNTY OF (COUNTY NAME) COCHISE		
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) JAMES P. SULLIVAN	TITLE PRESIDENT	
OF THE	COMPANY NAME DRAGOON WATER COMPANY, INC.		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR 12 31 2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:</u>

ARIZONA INTRASTATE GROSS OPERATING REVENUES	(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 4.935
\$ 81,740	IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

(480) 945-4800

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)

FRAVIS W. NELSONY OF
ACTAINY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
Aug 8, 2006

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME
VOLVES W Nelson
COUNTY NAME
MONTH .20_

X SIGNATURE OF NOTARY PUBLIC

DRAGOON WATER COMPANY

P.O. BOX 85160 TUCSON, AZ 85754 520-623-5172 WELLS FARGO BANK, N.A. WWW.WELLSFARGO.COM 91-527/1221

10/11/2006

PAY TO THE

Marsha Bonham - Cochise County Treasurer ORDER OF

**2,743.61

Two Thousand Seven Hundred Forty-Three and 61/100*******

DOLLAR

Marsha Bonham - Cochise County Treasurer PO Box 1778 Bisbee, AZ 85603-2778

MEMO:

Date

1st half Property Tax 2006 / 908-60-900 7

3:01

DRAGOON WATER COMPANY

10/11/2006

376

Marsha Bonham - Cochise County Treasurer

Reference Type 1st half 2006 10/4/2006 Bill

Original Amt. 2,743.61

Balance Due Discount 2.743.61

Check Amount

Payment 2,743.61 2,743.61

Wells Fargo Bank

1st half Property Tax 2006 / 908-60-900 7

.2.743.61

Payment in U.S. FUND

Due October 1, 2006 **DRAGOON WATER CO**

308-60-900 7 0117562

Jelinquency Date First Half Payment ²enalty for late payment is 16% per year prorated nonthly as of the 1st day of the month for ayments postmarked after 5:00 P.M. November , 2005 (ARS 42-18052 and ARS 42-18053).

vny total property tax of \$100 or less must be paid n full using the first payment coupon, no later han November 1, 2006 at 5:00 p.m.

o pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 1006. Delinquent interest will be walved.

DETACH AND RETURN WITH PAYMENT

Make check payable to: Marsha Bonham Cochise County Treasurer

PO Box 1778 Bisbee AZ 85603-2778

2,743.6 5,487,22

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

029086090000700000274361

the hold of faith and the state of the state

Marsha Bonham Cochise County Treasurer PO Box 1778 Bisbee AZ 85603-2778

2006 9086090007 1 00000054872200000274361

FROM: S/W UTITILY SUITS SECTION AND FUNDAMENT COUPON

Due March 1, 2006 DRAGOON WATER CO

908 60 900 7

Delinquency Date Second Half Payment Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. May 1, 2006 (ARS 42-18052 and ARS 42-18053).

FAX NO. : 520 792 0377



Mar. 07 2007 03:45PM P2 raymentin u.s. runus unti Make check payable to: Marsha Bonham Cochise County Treasurer

2,6:

31

DOLLA

3/29/2006



Marsha Bonham Cochise County Treasurer PO Box 1778 Bisbee, AZ 85603-2778

2005 9086090000 2 000000052794800000026397

BANK ONE NA

PHOENIX, ARIZONA 85073

91-2-1221

DRAGOON WATER CO. INC.

7459 EAST ALMERIA HOAD SCOTTSDALE, AZ 85257

PH. (480) 945-4800 FAX (480) 941-5199

PAY TO THE Cochise County Treasurer: ORDER OF

Two Thousand Six Hundred Thirty-Nine and 74/10

Cochise County Treasurer . PO Box 1778 Bisbee, AZ: 85603-2778

MEMO

2nd Half Property tax 2005, 908 60 900 7

#003470# ##22406026#

08753584

DRAGOON WATER CO. INC.

Cochise County Treasurer

Date 03/24/2006 Type Bill

Reference

Original Amt. 2,639.74

. .:.

3/29/2006

Balance Due Discount 2,639.74

Check Amount

317

Payment 2.639.74 2,639.74